

May 6, 2016

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Notice of *Ex Parte* Presentation
In the Matter of Expanding Consumers' Video Navigation Choices, MB Docket No.
16-42; Commercial Availability of Navigation Devices, CS Docket No. 97-80**

Dear Ms. Dortch:

On May 4, 2016, Jared Sher of 21st Century Fox, Inc., Anne Lucey of CBS Corporation, Kimberly Hulse of Scripps Networks Interactive, Keith Murphy of Viacom Inc., Susan Fox of The Walt Disney Company and ESPN, Inc., as well as the undersigned, met with staff of the Media Bureau, Office of Strategic Planning & Policy, Office of the General Counsel and the Wireline Competition Bureau (listed below) in connection with the proceeding referenced above.

The purpose of this meeting was to discuss the effect of the FCC's proposed rules on the ability of the companies represented ("the Content Companies") to monetize programming through distribution and, relatedly, the potentially negative impact of the Commission's proposal on the quality of the consumer viewing experience and investment in content.

As detailed in comments filed jointly in this proceeding, the Content Companies reiterated that they have no stake in set-top box revenues, and they support the goal of improving the overall quality of the viewing experience. They also noted that their belief in the importance of this issue is demonstrated by their efforts to roll out new distribution partnerships – with both companies *supporting* and companies *opposing* the proposed rules – to increase the availability of programming over multiple platforms and devices.

Nevertheless, the Content Companies underscored their concern that, as proposed, the rules would undermine the license agreements that maintain a positive viewing experience and preserve incentives to invest and innovate in both the production and distribution of high-quality video programming. The Content Companies emphasized that this result was detrimental to consumers and the robust content ecosystem, while conflicting with the Commission's duty to safeguard the security of video programming and prevent its theft under section 629 of the Communications Act.

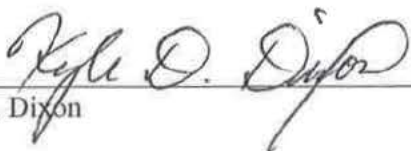
The Content Companies explained that licensing agreements provide the primary and most efficient mechanism (with respect to *all* distributors) for protecting the value, integrity and security of programming, covering a wide range of terms, including, *inter alia*: scope of license (including limitations imposed on programming licensed from other companies); content protection; advertising; channel placement; and signal quality. The Content Companies emphasized that the proposed rules would diminish or eliminate the effectiveness of this mechanism and provide no other means to

administer critical content presentation terms. As examples, they discussed the logistics of placing and preserving advertising and content usage rights, which they explained varied widely by content provider, by the nature of the programming, by method of delivery (*e.g.*, linear vs. on-demand), and by the security and other features of the distribution technology employed, among other factors. The Content Companies underscored that this variability reflects the dynamic experimentation that forging mutually-beneficial licensing arrangements with each distributor incentivizes and makes possible.

The Content Companies urged Commission staff to continue their efforts to address the concerns raised as the proceeding moves forward and to pursue Chairman Wheeler's goal of honoring the sanctity of contracts.

Pursuant to Section 1.1206 of the Commission's rules, this letter is being filed via ECFS, and a copy will be provided via email to the individuals listed below. Please contact me if you have any questions regarding this notice.

Respectfully submitted,



Kyle D. Dixon

cc: William Lake
Michelle Carey
Mary Beth Murphy
Nancy Murphy
Martha Heller
Steven Broeckaert
Brendan Murray
Susan Singer
Ali Zayas
Calisha Myers
Kathy Berthot
Brendan Holland
Lyle Elder
Jonathan Levy
Scott Jordan
Antonio Sweet
Paul LaFontaine
Sherwin Siy
Susan Aaron
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John Williams